

Performance of major projects

3786. SHRI GOPALSINH G. SOLANKI: Will the PRIME MINISTER be pleased to state:

- (a) whether Government have recently reviewed the performance of major projects in various sectors of the States particularly in core sector;
- (b) if so, the outcome thereof, sector-wise, in terms of targets set;
- (c) whether there is any shortfalls in core sector; and
- (d) if so, the reasons therefor and the remedial steps taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) and (c) As on 1.3.2001, there are 181 major projects in core sectors located in different States. Of these, 113 projects have suffered an overall cost overrun of 76 per cent with reference to their original cost and 74 projects have suffered time overrun ranging from 3 to 168 months with respect to their original approved schedule. Against the total original cost of Rs. 1,01,92.19 crores, the present estimated cost is Rs. 1,39812 crores, which shows an escalation of 38 per cent. Sector-wise, cost escalation and range of time overrun in seven core sectors is given in the statement. (See below)

(d) The reasons for shortfalls in execution of the projects vary from sector to sector as also with regard to the nature of the projects. In general, the reasons include delay in land acquisition, late start of work on projects, delay in award of work contracts, delay in supply of equipment, poor project management and fund constraints. The remedial steps taken to achieve targets include:

- (i) monthly as well as quarterly monitoring by the Government. This enables the monitoring agencies to identify constraints and help the management in taking remedial measures;
- (ii) indepth critical reviews of the progress by the Project

Authorities and Administrative Ministries, coordination with the respective State Governments, equipment suppliers, contractors, consultants and other concerned agencies;

- (iii) regular review of fabrication of equipment with suppliers as well as turnkey contractors;**
- (iv) inter-ministerial coordination and holding facilitation meetings among concerned parties;**
- (v) setting up of Empowered Committee for speedy resolution of problems of contract packages, solving of land acquisition and other problems; and**
- (vi) making funds available to complete the projects on schedule.**

[19 April, 2001]

RAJYA SABHA

Statement
Extent of time/cost overrun in projects with respect to Original Schedule

S. No.	Sector	No. of Projects	Total Cost (Rs. Crs.)	Projects with Cost Overrun			Projects with Time Overrun		
				Pro-Original Cost	Antici-pated overrun Cost	No. Original Cost	Antici-pated Cost	% In-crease	No. Original Cost
1.	Atomic Energy	1	3447.1	8949.0	159.6	1	3447.1	8949.0	159.6
2.	Coal	16	9098.8	10152.5	11.6	9	4472.2	5954.1	33.1
3.	Petroleum	27	30442.5	30564.9	0.4	2	2300.0	2485.0	8.0
4.	Power	25	29984.8	48421.5	61.5	14	21810.3	40247.0	84.5
5.	Railways	88	22652.9	33354.7	47.2	69	16009.2	26721.4	66.9
6.	Surface Transport	22	4789.9	7592.7	58.5	18	3499.6	6345.9	81.3
7.	Telecommunication	2	777.0	777.0	0.0	0	0.0	0.0	0.0
	TOTAL	181	101192.9	139812.4	38.2	113	51538.4	90702.4	76.0
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